



Public Utility Commission of Texas
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New Goals for Residential Demand Response to Mean More Savings for Electricity Customers

PUCT Adopts Rule to Increase Residential Demand Response Through Voluntary Use of Smart Devices and Appliances

Austin, Texas – The Public Utility Commission of Texas (PUC) today took action to further strengthen grid reliability and provide residential consumers an opportunity to save on their electricity bills through greater demand response. The Commission adopted new rules that establish a goal for reducing the amount of electricity residential consumers in the Electric Reliability Council of Texas (ERCOT) region consume by using smart responsive device programs. These programs are available to consumers in areas with retail competition and participation is voluntary.

“Ensuring grid reliability as Texas continues to grow requires both expanding our state’s power supply and finding ways to reduce demand and use electricity more efficiently,” PUC Commissioner Kathleen Jackson said. “By offering residential consumers opportunities to help them reduce their energy use, we help them save money, reduce demand on the ERCOT system, and improve grid reliability.”

A smart responsive device, like a smart thermostat, is a household device or appliance that can be controlled remotely by an electricity provider. Currently, retail electric providers (REP) in the ERCOT region can offer incentives to their customers to install smart responsive devices in their home and elect to participate in a voluntary demand response program.

By voluntarily participating in a demand response program, consumers allow their smart device or appliance’s energy consumption to be reduced during periods when power demand is high. This strengthens grid reliability and helps consumers save on energy costs.

The new rule implements PURA § 39.919, as enacted by the 88th Texas Legislature through Senate Bill 1699 and signed into law by Governor Greg Abbott in 2023. It establishes a goal for residential demand response programs to reduce the total power consumption of participating customers by 20 percent.



The rule also establishes new reporting requirements that will provide the PUCT and ERCOT critical data to evaluate how residential demand response programs are performing and if they are providing the desired reliability benefits to the ERCOT grid. No identifying customer information will be collected with data in the new reporting requirements.

The rule also requires REPs to ensure that demand response programs do not negatively impact critical care residential customers or chronic condition residential customers.

The rule is available in PUCT Docket No. [56966](#).

About the Public Utility Commission of Texas

Our mission is to serve Texans by regulating the state's electric, telecommunication, and water and sewer utilities, implementing respective legislation, and offering customer assistance in resolving consumer complaints. Since its founding in 1975, the Commission has a long and proud history of service to Texas, protecting customers, fostering competition, and promoting high quality infrastructure. To learn more, please visit <https://www.puc.texas.gov>.